

## Nunez, Diana

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**From:** Momsen, Richarda D.  
**Sent:** Thursday, December 09, 2004 3:57 PM  
**To:** Nunez, Diana; Martinez, Donna M.  
**Subject:** FW: RESO MOU-HACEP

-----Original Message-----

**From:** Ocegueda, Adrian  
**Sent:** Thursday, December 09, 2004 3:57 PM  
**To:** Momsen, Richarda D.  
**Subject:** RE: RESO MOU-HACEP

Additions Explanation:

This Item will be taken up on the Housing Authority of El Paso (HACEP) Agenda for Friday December 17, 2004. In order for the MOU to be effectuated the Housing Authority would like to have the positive vote of the City Council prior to taking action on this item. Due to the fact that HACEP only meets once a month it is essential to have Council take action on this item prior to their December 17, 2004 meeting.

## **R E S O L U T I O N**

**WHEREAS**, the City and HACEP recognize that it is in the best interest of the El Paso community to combine available community resources to improve quality of life for its residents, and

**WHEREAS**, the City and HACEP, in a spirit of cooperation, desire to work in partnership to leverage the resources of their complementary housing programs and to increase the affordable housing stock in El Paso, and

**WHEREAS**, City and HACEP would like to develop a plan to rehabilitate distressed and abandoned homes in neighborhoods through out the City, and

**WHEREAS**, the City and HACEP desire to enter into a pilot program to request that the taxing entities in El Paso work with the City and HACEP in allowing residential properties which have been foreclosed upon because of delinquent taxes to be rehabilitated and sold to low and moderate income families thereby placing properties back on the tax rolls and at the same time resulting in a positive impact on City neighborhoods and working families,

### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the Mayor be authorized to sign a Memorandum of Understanding between the City of El Paso and Housing Authority City of El Paso to create a housing rehabilitation pilot program which will rehabilitate distressed and abandoned homes in City neighborhoods and will place the rehabilitated properties back on the tax rolls, and

That this proposed pilot program will be an exception to the April 24, 2001, guidelines adopted by the El Paso City Council on the policy for how property struck off to the City at a tax sale shall be resold.

**ADOPTED** this 28<sup>th</sup> day of December, 2004.

THE CITY OF EL PASO

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Joe Wardy  
Mayor

ATTEST:

APPROVED AS TO FORM:

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Richarda Duffy Momsen  
City Clerk

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John F. Nance  
Assistant City Attorney

STATE OF TEXAS                    )  
  )  
COUNTY OF EL PASO            )       **MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (the “MOU”) is entered into this 28<sup>th</sup> day of December, 2004, by the City of El Paso (the “City”) and Housing Authority of the City of El Paso (“HACEP”).

**WHEREAS**, the City and HACEP recognize that it is in the best interest of the El Paso community to combine available community resources to improve quality of life for its residents, and

**WHEREAS**, the City and HACEP, in a spirit of cooperation, desire to work in partnership to leverage the resources of their complementary housing programs and to increase the affordable housing stock in El Paso, and

**WHEREAS**, City and HACEP would like to develop a plan to rehabilitate distressed and abandoned residential properties in neighborhoods through out the City, and

**WHEREAS**, the City and HACEP desire to enter into a pilot program to request that the taxing entities in El Paso work with the City and HACEP in allowing residential properties which have been foreclosed upon because of delinquent taxes to be rehabilitated and sold to low and moderate income families thereby placing properties back on the tax rolls and at the same time resulting in a positive impact on City neighborhoods and working families,

**NOW THEREFORE**, be it known that the City and HACEP hereby enter into this MOU as follows:

**Purpose:**

The two parties agree to abide by the following provisions:

1.     Term and Annual Review. The Memorandum of Understanding shall commence on the date first written above and shall continue in effect for one year. This agreement will not automatically renew. Either party may terminate the agreement by giving thirty (30) calendar days advance written notice to the other party. If notice of termination has not been given by either party by the time of expiration of the current term of this agreement, the MOU will expire. The parties may upon completion of this program determine the feasibility of the long term initiative to rehabilitate distressed housing in El Paso’s neighborhoods and facilitate the dream of homeownership for low to moderate income families.

2.     Responsibilities of the Parties.

A.     The City will provide HACEP with a list of available struck-off residential properties (the “Struck-Off Properties List”) with all such properties to be within the boundaries of the City and also within the boundaries of either the El Paso Independent School District (“EPISD”) or Ysleta Independent School District (“YISD”).

B. HACEP, in consultation with the City, will identify the properties from the Struck-Off Properties List that both HACEP and the City mutually select as being worthy of the investment of time and resources to redevelop for re-sale to low or moderate-income families.

C. The City and HACEP will mutually endeavor to select a total of ten properties from within EPISD's boundaries or YISD's boundaries during the initial 12-month term of this MOU.

D. The City and HACEP will conduct a brief joint feasibility study ("Feasibility Study") of each desired selected properties from the Struck-Off Properties List (the "Selected Property") in order to determine whether, in their collective best judgment, the rehabilitation and/or construction, and re-sale of the Selected Property can be accomplished in the 12-month desired time period for completion of all work and the sale of the property.

E. As part of the Feasibility Study, both parties will coordinate efforts to inspect the Selected Property. HACEP may inspect the Selected Property itself, or by use of a Contractor of its choice. The City will inspect the Selected Property with an inspector from the City's Building Permits and Inspections Department. Each shall determine jointly that the structural integrity is sound and rehabilitation is feasible for each such structure. Any determination as to the Selected Property must be made jointly, and the parties will also determine a procedure under which such evaluations will be made.

F. After completion of the Feasibility Study, upon joint determination that it is appropriate and reasonable to commence rehabilitation and/or construction on a Selected Property, the City and HACEP will jointly approach the appropriate taxing entity(ies) for an agreement covering the resale of each Selected Property in accordance with the provisions of Section 34.05 of the Texas Tax Code, and abate execution on any tax debt/assessment on the Selected Property for up to a maximum period of 24 months, in return for the City's and HACEP's commitment to complete rehabilitation and/or construction and re-sell the property for private residential use within a maximum 12-month desired time period for completion.

G. Both parties agree to submit a formal written offer for the properties to Delgado, Acosta, Spencer, Linebarger, Heard and Perez, LLP, the delinquent tax attorneys who handle the resale of struck off properties, and request that the offers be presented to each affected taxing entity for their consideration. The City and HACEP will request that that they be allowed to present the housing rehabilitation proposal before each of the taxing entities' governing body at the time the offers for the properties are considered. The City and HACEP, at their discretion may wish to retain representation to appear before each taxing entity during this process, and will be free to do so, at their own expense. Both the City and HACEP will commit to the relevant taxing entities that these properties will be rehabilitated and/or rebuilt, and be placed back on the tax rolls within one year (subject to the possible extension of six months as discussed further below) of conveyance to HACEP.

H. After obtaining the agreement of all relevant taxing authorities, each Selected Property will be conveyed to HACEP, or one of its wholly owned and controlled subsidiaries, to the extent allowed by law, for \$1.00 per property.

I. With respect to each Selected Property that is conveyed to it or one of its subsidiaries, HACEP will commit to complete its rehabilitation and/or construction, and complete the sale of the Selected Property, within 12 months of the date of conveyance. HACEP will use its own resources and/or a contractor, procured in compliance with federal and state bid procedures applicable to HACEP, for the rehabilitation and/or construction. The parties agree that the City shall bear the costs of fees for preliminary investigation and the findings report for each Selected Property. HACEP shall be responsible for all permit, plan review, and construction inspection fees in accordance with Chapter 18.02 of the El Paso Municipal Code.

J. Although it is both parties' goal that the rehabilitation and/or construction work on and sale of each conveyed Selected Property will be completed within 12 months of its conveyance, HACEP may request an extension of up to six months to complete the rehabilitation and/or construction and sale of any Selected Property. HACEP's request for an extension will be directed to the City and the request will be granted if HACEP and the City's inspectors jointly agree that a longer period is needed to effectuate or complete the rehabilitation and/or construction, or sale of the Selected Property. The City will not unreasonably withhold its agreement to a six-month extension requested by HACEP. If an extension is granted as to any Selected Property, the parties will note their agreement in writing and specify a reasonable time period that they believe will be necessary for completing the rehabilitation or construction effort, or the sale of the Selected Property. Any agreed written extension will be copied to the affected taxing entities, for their information.

K. After completion of the rehabilitation and/or construction, HACEP will promptly place the Selected Property for sale. HACEP will, in its discretion, determine the sales price and method of advertising, if any, and making any sales. Although it is both parties' goal that all properties sold under the terms of this MOU will be to private parties so that the properties return to the tax rolls, if there is an opportunity to sell a Selected Property to a tax-exempt entity, HACEP and the City will mutually consider such a sale, subject to approval of the appropriate taxing entity(ies).

L. HACEP will retain all of the proceeds from any sales made of conveyed Selected Properties. Any surplus funds earned by HACEP over and above its expenses from the resale of conveyed Selected Properties shall be placed by HACEP in a restricted revolving fund maintained and administered by HACEP to be used exclusively for the rehabilitation, construction and resale of affordable residential housing within the City of El Paso.

M. If HACEP does not complete its work and a sale of a Selected Property within 18 months of conveyance, to the extent permitted by applicable law and subject to any required approval from the United States Department of Housing and Urban Development, or its designee ("HUD"), HACEP shall promptly sell the property at public auction or sealed bid private auction, and shall be entitled to recoup its rehabilitation and/or construction and sales-related costs plus \$1.00, with the balance of any sales proceeds reverting to the City for reinvestment in its first time home buyer's program.

N. If this MOU terminates while work is in progress on a Selected Property, the work will continue and be completed pursuant to the terms of this MOU.

O. At the conclusion of the initial term of this MOU, the parties commit to share their experiences and understanding of the success of the project in order to determine the feasibility of a long term initiative to rehabilitate distressed housing in the City's neighborhoods and facilitate the dream of homeownership for low to moderate income families.

**Contact Persons:**

CITY: Joyce Wilson, City Manager  
2 Civic Center Plaza, 10th Floor  
El Paso, TX 79901

HACEP: HACEP Executive Director  
5300 E. Paisano  
El Paso, TX 79905

APPROVED this 28<sup>th</sup> day of December, 2004.

THE CITY OF EL PASO

\_\_\_\_\_  
Joe Wardy  
Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

HOUSING AUTHORITY OF THE CITY OF EL PASO

By: \_\_\_\_\_  
Vincent L. Dodds  
Interim President and Chief Executive Officer

APPROVED AS TO FORM:

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John F. Nance  
Assistant City Attorney